

**Town of Milton  
Town Council Meeting  
Milton Library, 121 Union Street  
Monday, May 2, 2011  
6:33 p.m.**

**Transcriptionist: Helene Rodgville  
[Minutes are Not Verbatim]**

**1. Public Participation**

- a) Georgia Dalzell, Chamber of Commerce: Good evening. There are several things going on in Milton, in May, that I thought it's early in the month but I thought this is my opportunity to remind everybody and to remind the newspapers and that sort of thing; and these are all really good things that are happening. Next Saturday, the first Saturday in May, the town wide yard sale; don't miss it; it's a great thing; everybody gets together and the whole town participates, so that's a good thing. This month is Horseshoe Crab and Shorebird Festival Month, so I didn't want the month to go by without reminding everybody. It's a big deal for Milton and it's a wonderful way that lots and lots of organizations in town participate together. I have some of these flyers; I'll leave a couple of them at the table and you can pick one up on the way out; but, we sponsor this with Prime Hook and it's a festival that talks about our ecological heritage, here in our area; both at Prime Hook Beach, Broadkill Beach and here in town. We have nature exhibits; we have crafters, artists and we are participating with the Milton Art Guild, who are having an art show with the theme of nature and we are also having this plane ride raffle and I'm so delighted that the Century Club is joining in with the Chamber; they are the ones selling the tickets; they are the ones who are going to benefit from it; they have a scholarship fund and that's where the proceeds of the plane ride raffle are going. If you know anybody in the Century Club, grab them, it's \$5 for a one-hour plane ride if you're the winner, over the whole area; it should be wonderful. So I just want to say that we have been participating with lots of different organizations in town and this is the way it should work and I hope that you will all join us for the yard sale, the plane ride and the Horseshoe Crab Festival, especially. Thank you.  
Mayor Newlands: Thank you.
- b) Jim Crellin, 224 Sundance Lane: I just wanted to take this opportunity in the name of the Milton Farmer's Market, to thank the Council, individually, and members of the community and neighbors of the community for supporting the Farmer's Market so well. As you know, it is another event in May, every Friday from 4 to 7 p.m.; it goes through May, June, July, August, September and October; so we hope you will all come regularly. Every week there are new vendors there, so come along and I also want to pick up on the Shorebird Festival; I also volunteer at Prime

Hook and we will be there for the kids, to help them build blue bird houses; so if you have little children who want a blue bird house, come over and we'll help them make it. Thank you.

- c) John Collier, 301 Coulter Street: Thank you for the opportunity to speak. I'm here tonight because I would like to request that the town either embolden the signage for the park rules; add some more. The reason I am making this request is this past Tuesday, I happen to be in the Park with my grandson and had the opportunity to observe several people imbibing alcohol and one of them was particularly belligerent and was treating some of the people who were in attendance at the Park and they just up and left. I stopped at the police station, spoke with an officer outside, who said he would come over, take a look, after he got done setting up his car and ask them to move along. I think if what's on the website for Code is proper, it's actually an offense and he could have issued a summons to that affect. Nonetheless, unless I missed a sign, the only one I know of is on the Chandler Street entrance; it would be convenient to post one at the bridge, as they come into the park on that side; and possibly even right here along the edge of the park. Other things I can relate to you in the instance of alcohol in the park is, as most of you all know, I have a lot to do with operating the train and I've been working on it since sometime in March; and almost every time I open the door, there's at least one empty bottle inside that somebody has thrown under the door. We tout ourselves on how great our park is and everything else, but this is what's going on in it, at times. Sooner or later we're going to get the bad rap for the park, is the way I look at it. It's important to me because I have a young grandson; we spend a lot of time in the park; it's also important to me because of the train and the number of kids that we have here and I don't think it's proper that we allow them to be exposed to that type of behavior. So I would wish the Council would take that under consideration and thank you for the time.

Mayor Newlands: Thank you. We'll take a look at the signage. I don't want to put up too many signs, but we'll see if they're properly placed.

Councilwoman Duby: One thing that you should know, is that when we planned the renovation of the park, the Parks Committee recommended that there be a number of new signs added and that was the plan. One of which would be the one for the rules and the others would be naming the park; make sure the name was up and all that; and we had planned to do that; and we ran out of money, so it was never done; but I absolutely agree with John; I've certainly seen some evidence of that myself. We have a Parks Committee Meeting tomorrow night and we'll certainly discuss it there, so if you would like a recommendation from Parks Committee, we'll give you one.

Mayor Newlands: That would be great. Thank you.

- d) Ginny Weeks, 119 Clifton Street: Thank you for the beginning of a Financial Report. Are you going to give us more details?

Mayor Newlands: Tonight we're going to run through a six-month update

on the finances for this fiscal year and then we'll publish that on the town website in a couple of days.

Ginny Weeks: Thank you very much. I have one or two questions about the things that are on the website, if I may.

Mayor Newlands: I don't have that in front of me, so if you can try and remember...

Ginny Weeks: It's very easy.

Mayor Newlands: Sure.

Ginny Weeks: Under your narrative, you say that the Town Hall was purchased for \$650,000 and about \$300,000 was spent and office furniture was \$58,000; but when I went here, it said \$100,000. Which one is correct; not \$300,000?

Mayor Newlands: I'll check because I know there were monies that were moved around for \$300,000; it was for renovations for the building. I'll double check my other figures, then.

Ginny Weeks: I agree with you that we're probably going to have to raise taxes; should that debate not start sooner, rather than later.

Mayor Newlands: Actually next month's meeting, we're going to have some discussions on some new revenue sources that we'd like to start bringing into town.

Ginny Weeks: Great, that's wonderful. And as for revenue sources, I was just wondering, when Council passed the Comp. Plan, it passed max. with what properties are within the town; and it annexed in the Dr. White property and the Sam Lucas property and as far as I know, we've never gotten a cent in annexation fees or 20 acres of land, for either; and if they're not going to pay up, why don't we de-annex them?

Mayor Newlands: The annexation fees are not due until they come in for their final approvals, so they haven't gone...

Ginny Weeks: That would be Dr. White's.

Mayor Newlands: Both of them. They haven't come in for final approval yet.

Ginny Weeks: Are we not taking the 20 acres? Has something been changed?

Mayor Newlands: There's an issue with that and we're not getting the 20 acres. No.

Ginny Weeks: Would you address that next month, so we all know where we are?

Mayor Newlands: If I can, yes.

Ginny Weeks: Thank you.

Mayor Newlands: You're welcome. The reason we're not getting taxes is they are both farmed; those properties are both farmed so that's why we're not getting taxes.

Ginny Weeks: I had no idea about the taxes; I was just wondering about the fees.

Mayor Newlands: Okay.

e) Rich Miller, Cannery Village: Several years ago I addressed Council at

one of the microphones and related a story about my mother who lived in Delaware County in Pennsylvania in a small borough called Yaden; and unfortunately she passed away and that led me to get very familiar with Yaden's Ordinances. In Yaden, PA I offer this as an example to the Council, when property transfers hands, the borough comes in and does an inspection on the property. It's very high end: plumbing, electrical, sidewalks and they will not release the property for sale until that inspection is done and certified that it has been done. With our search for revenue sources, that would be a benefit, because it costs \$20 or \$30 to get the process started when you sell a home; but it also, long term, allows the town to really revitalize the way it looks. Because over time every property-owner has to bring his or her property up to standard; so that the sidewalks, over time are continuously inspected and if need be, repaired. So there's a couple of advantages to Council considering that type of process.

Mayor Newlands: We are going to look at that. It's in our plan to change our Ordinances so that we do home inspections on every sale. That's something that happened when I left my home in New Jersey; it's the same thing.

Rich Miller: It's very effective, because it does keep down on absentee and slum landlords; because if they come into a town to flip properties, there's a price for them to do that. They just can't have a tenant and then sell it and go to the next property.

Mayor Newlands: Right. What also happens is as people find out about new zoning changes, they upgrade their houses immediately in a lot of cases, instead of waiting for the end.

Rich Miller: Exactly. Thank you.

- f) John Horan, 304 Brick Lane: Good evening, Mr. Mayor, ladies and gentleman of the Council. I have a very simple question and this is directed towards the Mayor. On the 4<sup>th</sup> of February, the Mayor's office received a letter from myself and it has not been responded to. This is in relation to enforcement of Ordinances in the Town of Milton. My question is how long; this is three months have gone by; how long am I expected to wait before I take any additional action? Thank you.

Mayor Newlands: This is in relation to your developer charging you for lights and snow removal and things like that?

John Horan: That's correct.

Mayor Newlands: I'm still getting the same questions from other people, so I have an answer for you and I'll make sure I get it out this week; in writing to you. Okay, but I'm still getting the same requests from half of your development.

John Horan: Okay, but this is outstanding for three months now.

Mayor Newlands: I apologize and I'll get something out to you this week.

John Horan: Thank you.

- g) Tom Kelly, 102 Summer Walk: I want to personally thank Norm for starting up the Farmer's Market, because if it wasn't for him, this Farmer's

Market would not have been developed. And also we've been opened for the last three weeks and it's been a very positive outlook for Milton. It's turned out to be not only a Farmer's Market, but a social center; where neighbor's meet each other and all. I have left on Friday nights and gone to restaurants in Milton and you couldn't even get a table or a seat in here, so I think that the secondary affect here, is it is also helping business here. So, I'm just asking the people, would you please support your Farmer's Market, because you're helping your neighbors, you're helping the town and you're helping the farmers. Thank you.

Mayor Newlands: Thank you and thank you Mr. Lester.

Councilman Lester: Thank you, but a lot of work is done by Tom, Jim Crellin, our Volunteer of the Year, that's sitting in the back, there's an awful lot of people that work really, really hard. I could not have done it. People ask me questions, what are you going to do about this or that? I have said, I have no clue and Amy Ray stepped in and said this is what you have to do to accomplish X, Y and Z and Jim and Tom are out there putting up signs; getting the thing set up every single week. It's amazing. I just thank those guys; those are the guys that need a response. Please give them a hand. Thank you.

2. Call to Order – Mayor Newlands called the meeting to order at 6:47 p.m. and close the Public Participation

3. Moment of Silence – Councilwoman Betts

4. Pledge of Allegiance to the Flag

5. Roll Call – Mayor Newlands

Councilman West	Present
Councilwoman Betts	Present
Councilman Lester	Present
Councilwoman Duby	Present
Mayor Newlands	Present
Councilwoman Jones	Absent

6. Additions or Corrections to the Agenda

Mayor Newlands: Do we have any additions or corrections to the Agenda?

7. Agenda Approval

Mayor Newlands: Do we have a motion to accept the Agenda?

Councilwoman Duby: So moved.

Councilman Lester: Second.

Mayor Newlands: We have a motion and a second to approve the agenda. All in favor say aye. Opposed. Motion carried.

8. Presentation and Approval of Minutes – April 4, 2011

\*The Council minutes provided are a summation of the meeting to be used for informational purposes only. An official copy of the meeting can be obtained through Town Hall located at 115 Federal Street by filling out a FOIA Request and paying any cost associated with the request.

Mayor Newlands: Are there any issues with our minutes of April 4<sup>th</sup>?

Councilwoman Duby: I make a motion to approve the minutes dated Monday, April 4, 2011, as presented.

Councilwoman Betts: Second.

Mayor Newlands: We have a motion and a second to approve the minutes of April 4, 2011. All in favor say aye. Opposed. Motion is carried.

9. Discussion on Written Committee Reports

Mayor Newlands: We have the Historic Preservation Committee and then Planning & Zoning Committee. We don't need to vote on those, but if there are any questions, we have people here... Actually, Robin is not here. If there are any questions, we'll bring them back to the office. Just so the public knows, the hotel that is going on Route 16 was approved with some conditions, so that was...

Seth Thompson: It was a permitted use.

Mayor Newlands: And it's a 12 room hotel?

Seth Thompson: Correct. 12 or 18?

Mayor Newlands: It's 18 rooms?

Seth Thompson: It is.

Mayor Newlands: Oh, I thought it was 12, okay, 18. Does anybody have any questions on Council from these two committee's?

Councilman Lester: No.

10. Department Reports: Public Works, Project Coordinator, Code and Police

Mayor Newlands: We have the Code Enforcer's Report, from the Project Coordinator. Are there any questions?

Councilwoman Lester: I move that we accept the reports.

Mayor Newlands: We don't need to vote on these. No. They're already done.

11. Finance Report and Revenue/Expenditures Report

Councilman Lester: Unfortunately, we have one item left outstanding to correct on the books, so that the consulting firm can complete their work. I would just like to have a quick review, for the benefit of our new Council Member and some residents in the audience, that don't seem to be quite clear on this. The problems that we have stem back to September 30, 2009. Now there were a number of errors in September 30, 2009 that carried through to our last fiscal year and continue to carry through to this year. There are open and outstanding, unpaid bills, that may or may not be correct; there are accounts receivable items that may or may not be correct; and, just as an example, we have one item where we the Town collected on behalf of Tidewater, \$123,000 that belonged in an escrow account. Now that escrow account was never set up, so the town utilized that money; so early this year, as most of you recall, we had to pay Tidewater \$123,000. So that \$123,000 is sitting on our books; in essence, with nowhere to go; because when the consultants are finished, part of their correcting the prior year, September 2009, is to set up an accrual, a liability to show that we owed that money to Tidewater. So that's a large item that's outstanding, that was incorrect; there are a lot of small ones. So slowly, we're getting there. I was told today that

the State Auditor's, the Auditor of Accounts, Office will be here at the beginning of June; which means the consultants have to have their work finished. They will provide them with a full detailed General Ledger of our accounts; they will provide the State Auditor's Office with a Financial Statement and the State Auditor will then audit those Financial Statements. So there's a great deal to be cleaned up and I just want to emphasize that in effect, what is going to happen is, those Financial Statements for probably for the year ended September 30, 2010; are going to be restated. Restatement of the Financial Statement is a very serious matter. If we were in a position to issue debentures or going in the process of issuing a Bond or looking to borrow money, Standard and Poors down-rated the United States. We would be way down there. You can't go through this process and find you have \$900,000 of assets; the Town doesn't own anymore. We sold property and it's retained on the books; there's absolutely no reason for this to happen and I don't know how this got beyond anybody; the Council, or anybody else. That's beyond my ken. I know the Mayor, if anybody has looked at the website, there's a question posted by a resident and the Mayor, I think, did a very good response to most of those questions. And tonight, he's going to go through the year-to-date statement, which in effect, is going to give us pretty close to a budget statement; a year-to-date revenue statement. And I just want to say this before I close up here. The Mayor spent tremendous amount of time going over the contracts that we have. For instance, we have this contract for a monitoring system; that's cost this Town \$14,000 a year, so we can watch people come in and out of Town Hall. Some of these things we're stuck with, but many, the Mayor has been able to renegotiate contracts with telephones and other things, and I think you'll begin to see the fruits of that labor, tonight; and as we go through the rest of the year and the next couple of years, you'll see the fruits of those labors. Tremendous amount of money has been spent and there are a couple of other things that we're looking at that I can't quite fathom, right now; one of them is the parks. I can't account for all the money spent on the parks, because it doesn't show on the books.

Councilwoman Duby: Stephanie and I are working on that.

Councilman Lester: And I may just turn that over to the State Auditor's Office and let them resolve that account. I may not have the time to do it. Thank you for your time.

Mayor Newlands: Thank you.

12. Old Business – Discussion and possible vote on the following items:

- a. Ordinance amending the Town Code, Chapter 26-11, entitled “Personnel Policies”

Mayor Newlands: In your package, the Ordinance is there and tonight I handed out a little supplement to that. In our editing of the Ordinance, we removed a paragraph that we should not have. Just to go through with you how this is laid out, whatever has a strike through is what we're deleting. Whatever is in bold is what we're adding. Where you see Town Manager throughout this document, this two page document, that said Personnel Officer before and our Personnel Officer is really not fully defined in here,

so it's really the Town Manager and Mayor can take certain actions. So whatever is in bold is new wording that we put in; anything that has a strike through is wording that we're removing. In Paragraph K, we had Town Solicitor in there, who is not an employee; so we had the head of Maintenance and Town Clerk for that first section and it really should be Town Manager and Chief of Police. We just did some fine tuning on the wording in Paragraph L. In Paragraph M, for "Demotions", we had "lack of funds"; that was really not defined well, so we put "reduction of force" where the employee is to fill a lower position of an employee who was laid off. And there are just some more clarifications on the Town Manager replacing Personnel Officer and for termination, we've put an exclusion there for Town Manager and Chief of Police because they're defined up on top in Paragraph K; so we're not defining them there and the two things outstanding are Ms. Duby and Mr. Thompson here are discussing the preponderance or substantial evidence, that wording?

Councilwoman Duby: Yes.

Seth Thompson: The word preponderance has a specific legal definition, however, I understand that substantial evidence is used throughout; so I guess it consistency is the goal, we would use substantial. If you want to be able to look to case law interpreting other means as standard, you would use preponderance

Councilwoman Duby: And I'm happy either one; I don't have a strong feeling about either one; I just want the same one to be used throughout, so if we change this one to preponderance; I want to change the others to preponderance. If we keep substantial, then this one should be substantial too. I don't really care one way or the other, but I want them to be consistent, because I think we get into problems if they're not.

Mayor Newlands: Is this wording in other sections, as well, besides this one?

Councilwoman Duby: Substantial evidence is used in a number of places, relating to Personnel.

Mayor Newlands: But throughout the other chapters, you mean?

Councilwoman Duby: Yeah.

Mayor Newlands: Okay. So we have other cleanups to do. We also have to clean up the other chapters.

Councilwoman Duby: The Town Manager/Personnel Officer thing has to be cleaned up throughout.

Mayor Newlands: Okay, so we're making it preponderance?

Seth Thompson: I think if you want to be consistent, it would be substantial. That's the term that's used.

Mayor Newlands: I know, but are we cleaning up the others. Which one is the better one to use?

Seth Thompson: I think if you're going to do a clean sweep, you might as well have substantial now and then do preponderance when you go through and change everything.

Mayor Newlands: Okay. All right, so we're going to leave it as substantial



evidence; what we'll do tonight, when we vote on this, we're going to vote noting that the changes were made and then we'll have a clean copy and I'll sign a clean copy. The last change that has to go in, is the handout that I gave you tonight; we just discovered this this afternoon. On the second page, Paragraph M, that was the section where we have a Hearing and the Hearing Officer was the one making his/her decision about the Hearing and that should be the Council, making the decision. We actually deleted it by mistake M from this document entirely, so Paragraph M has to get reinserted into this document, along with the change where I've crossed out on each of your copies where it says "shall notify the employee of the Council's decision within five working days".

Seth Thompson: And if it's going to be a Council decision, I would suggest that N that appears on the draft, instead of having the Personnel Committee review the decision; it sounds like the idea is to have the entire Council review the decision. If you look at the middle of Paragraph N, it's the ninth line down.

Mayor Newlands: So you said the Personnel Committee...

Seth Thompson: In essence, if it's going to be the Town Council in its entirety that reviews a determination for termination, then instead of having the Personnel Committee will review the Town Manager and Mayor's determination; it would be the Council, or the Town Council.

Mayor Newlands: Well, I think in this case up here it can be the Personnel Committee. It's only the hearing where you would have the whole Council. I wouldn't want the whole Council to be...

Councilwoman Duby: No, what it says is the Personnel Committee, which he's suggesting to changing to Town Council will review the Town Manager or Mayor's determination, if the Town Manager or the Mayor receives the employee's written request for a hearing.

Seth Thompson: Exactly, but I don't want a scenario where the entire Town Council has to be there; under old Paragraph M. But then the determination is either made by A) the Hearing Officer or B) the Personnel Committee. I mean, it seems rather superfluous to have everybody there and it just seems like it would impose scheduling difficulties, that don't provide any sort of benefit if one person or a committee is then going to make the determination.

Councilwoman Betts: Are you referring to M, where it says also where the Personnel Committee will review the demotion if the Town Manager may receive the employees request? Is that what you're referring to?

Seth Thompson: Correct. I am.

Councilwoman Betts: Okay, thank you.

Mayor Newlands: Are you talking about \_\_\_\_\_, up here?

Seth Thompson: In the middle of N, it uses the term the Personnel Committee will review the Town Manager or Mayor's determination; but under the current Paragraph M, when it describes the protocol for the meeting, it talks about a majority of the Council being present. That doesn't make much sense if you're then just going to have the Personnel

Committee review the determination of the Mayor...

Councilwoman Duby: Presumably, what used to be M, where it is going to be inserted, would be as O, after N, and this makes M and the new O consistent.

Seth Thompson: Okay, correct.

Mayor Newlands: Okay, so you're saying just take this out and make it the Town Council.

Seth Thompson: The Town Council.

Councilwoman Betts: The one at M, take out the Personnel Committee?

Seth Thompson: Correct.

Mayor Newlands: Any other questions; any other concerns?

Seth Thompson: A few comments on my part. The reason for the exemption for the Town Manager and for the Chief of Police; they seem to be treated differently under your Charter; so, in essence, because they are exempted from this, does not mean that no rules apply to them. Basically, even if we put something in this Ordinance that ran counter to the Charter, it wouldn't work anyway. So, it's not that they are wholly exempt from any personnel issues; it's a higher document governs...

Councilwoman Duby: As we learned last summer, the summer before last, whenever that nightmare was?

Seth Thompson: As well as additional statutes.

Councilwoman Duby: There's a State law that applies to the Chief of Police.

Captain Cornwell: I've not seen this, but there's also a State law that deals with it; Title 11, Section 9200, a Policeman's Bill of Rights that deals with police officers; so you may want to check that, as far as police officers rights for this document here; because it's a totally different governance about termination.

Seth Thompson: In essence, any Town Ordinance would be superseded by a State statute.

Mayor Newlands: Okay, when we get a motion for this, we have to just say that it's, as amended in tonight's presentation?

Councilwoman Betts: Do you think we should do that tonight or just wait until it is amended and then approve it?

Mayor Newlands: No, we need to do it tonight, because if we hire somebody soon, we want this enacted. Also, this is the second time we've had this in front of Council since February. All we're saying is that we want to just take the strike throughs and the bolds and put them into the document and then just make the two changes; add in M and where it says the Council, put that in there; and then on Section N, in the middle, just say the Town Council instead of the Personnel Committee; and also changing substantial evidence to preponderance Those are the only changes we're asking for tonight.

Councilwoman Duby: I make a motion that we adopt the revised addition of Ordinance 2011-001, Chapter 26, Personnel Policies as the amendments are shown in these two documents and as we've discussed tonight. It will

be reflected in the minutes.

Councilman West: I second that, Mr. Mayor.

Mayor Newlands: We have a motion and a second. Is there any further discussion? We'll do a roll call vote:

Councilman Lester	Yes
Councilwoman Duby	Yes
Councilman West	Yes
Councilwoman Betts	No
Mayor Newlands	Yes

Mayor Newlands: Motion is passed.

- b. Ordinance amending the Town Code, Chapter 26-17, entitled "Compensation Rules"

Mayor Newlands: Again, whatever is in bold has been added or substantially replaced. The main thrust here is Items 1 and 2, where we have non-exempt employees; these are your blue collar workers on our police force; they are entitled to overtime, after 40 hours worked, less holidays, vacations, sick time and other time off; they don't count towards the 40 hours. We would like to let the employees have either comp time, which is time off or actual pay for overtime. In addition to that, in December, we've been asked by so many employees if they could take some of their comp time and cash it in; just so they could have something for the holiday season. We would limit any compensation time to 40 hours during the 12 months and we would also, again, limit any payout to no more than 40 hours; and also comp time would last for 12 revolving months; meaning if you earn comp time in November, you can take it up until the following November. If you note down there, we wanted to put something in there for police officers. Police officers work on a 14-day payout and their overtime starts after 85 hours; so they have a little different schedule for how their hours are calculated. For supervisory positions, these are exempt employees; they do not receive overtime pay. We're not required to give them comp time and what I would like to institute is any comp time that we do give them, would be hour for hour; since we're not required to do it. They very rarely work any comp time with the exception of Stephanie, who's in on snow days and other days. Throughout the document, there was just some clarifications about whether it's compensation time or overtime. Again, if we did some clarification with the help of Norman's staff, who actually got us the regulations from the government. If we pay out comp time in December, it's at the rate at which it was earned; so if somebody earned overtime before they got an increase, when they took that pay, it would be at their earlier rate.

Councilwoman Betts: Mayor, are you finished with that section? G, it says about the evaluations and after the analysis by the Town Manager and certification of satisfactory performance is approved; should that not be

depending upon the budget? Because we ran into that a year ago, that there were salaries given after certification; and they were given raises all through the year; if somebody went to school and it wasn't put in the budget?

Mayor Newlands: I think that just needs to be enforced. I don't think it needs to be spelled out; I think that just needs to be enforced and not allowed. You were never told it happened; that's what the problem was.

Councilwoman Betts: But still, it happened and I think it has to depend on the budget.

Seth Thompson: So, Councilwoman Betts, as I understand it, you would put a conditional phrase at the end of that first sentence on Page 3.

Councilwoman Betts: Yes, exactly.

Seth Thompson: That, in essence, the employee shall be entitled to a one-step increase in pay, budget considerations providing.

Councilwoman Betts: Yes.

Mayor Newlands: Okay.

Councilwoman Duby: I'm concerned about that language. We have the authority to freeze pay increases and I think if we do that, that would be the only circumstance under which those increases wouldn't be given. If we make it general, like subject to budget considerations, then the Town Manager or the Mayor, individually or whoever, could just say we have a tight budget this year, so we're not giving increases. I think our staff should be entitled to those increases as the Ordinance sets out; unless the Council enacts a freeze on pay. So if you want to add something; which I don't believe needs doing, but if you do, I think it should say the employees should be entitled to a one-step increase in pay, unless pay increases have been frozen by action of the Town Council.

Councilwoman Betts: But what I'm afraid of, Deanna, is that if they complete satisfactory certification during the middle of the year, I think it should start then at the beginning of the budget year. I do not think it should be given in the middle of the year, if they finish a class, within that year.

Mayor Newlands: You're talking about un-budgeted increases.

Councilwoman Betts: That's exactly right.

Mayor Newlands: That's a different thing. She's not talking about our performance increase, but an increase based on a milestone.

Councilwoman Betts: Well it says right here "certificate of satisfactory performance is approved". The employee shall be entitled to a one-step increase in pay.

Councilwoman Duby: That's not a class, this is in the section that relates to their semi-annual, annual or bi-annual review.

Councilwoman Betts: It says here... That's true, but if they get that during the year, after their annual evaluation, they have been getting it.

Councilwoman Duby: I'm not sure I understand what you're talking about. Are you talking about their annual step increase at the anniversary of their time, or are you talking something they get for a class; because this

doesn't say anything about a class?

Councilwoman Betts: ...”and certification, but is entitled”. But then it goes on to say, after they... I think that it should be spelled out, I'm sorry.

Seth Thompson: Well, Councilwoman Betts, it sounds like you would like that increase to go into effect at the following fiscal year.

Councilwoman Betts: Right.

Seth Thompson: Is that?

Councilwoman Betts: If we don't have the money, is what I am saying.

That's what I think it should be the budget year, the beginning of the budget year; maybe the evaluations should be done at that time.

Mayor Newlands: Now, Stephanie is telling me that there are some guys in the Water Department, when they get certain certificates, that they are entitled to increases.

Councilwoman Betts: Yes, but then if they're not budgeted.

Councilwoman Duby: That's not what this paragraph deals with.

Mayor Newlands: Actually, then, we need to go back and rewrite this paragraph.

Councilwoman Betts: I think we do, too.

Mayor Newlands: If two people are reading it differently, we need to rewrite the paragraph and I'll make sure that it is clearly defined for the certifications that these guys get; and then we need to and we can still discuss now; is figure out whether we want to pay that during the year or pay that at the next budget year, since it is not budgeted. So we'll need some consensus from Council as to how you want to do that.

Councilwoman Betts: I just don't to run into a budget deficit in the middle of the year, if by giving increases.

Mayor Newlands: No, it's a good point and we need to make it clearer, especially for those guys in the Water Department that go for certain certificates.

Councilwoman Betts: And I don't want to deny anyone of any increase; I don't mean that.

Councilman Lester: Mr. Mayor, I think it would be difficult. If my review was effective, say this week and I had a more than satisfactory review, now I have to wait until October 1<sup>st</sup>? I think that's a little drastic.

Councilwoman Duby: I think we're talking about two different things here and I think we may have to add a paragraph. This paragraph deals with annual reviews and increases.

Councilwoman Betts: But it doesn't say anything about the certificates.

Councilwoman Duby: So, if there's something else, taking classes, getting certificates, or something else, and a paragraph needs to be added to this, that has to do with that, that's another thing. I feel strongly for the reasons that Mr. Lester has stated, that to change it when it relates only to the annual increase, as this paragraph does, I would be opposed to changing that. I think it's fine the way it is. If you want to add a paragraph about the kind of thing that Mrs. Betts has raised, that's a different issue and it's fine with me.

Councilwoman Betts: But I still think that it could be a problem that we should set aside extra money for the evaluations, then; in a separate account or something from the budget; to show that we're not going to run into a deficit.

Mayor Newlands: Do we know in advance when somebody is going for a class, Allen?

Allen Atkins: It was mainly with the wastewater department when we had wastewater. The only two water operators we have right now, with a license, are Dustan Russum and myself. The other two are not licensed.

Councilwoman Betts: Okay.

Mayor Newlands: Okay, but if we do license one or the other, we'll know that well in advance?

Allen Atkins: Yes, you'll know that in advance.

Mayor Newlands: All right, so we should be able to budget for that, Leah.

Councilwoman Betts: Okay.

Mayor Newlands: We'll change the document so that it addresses certain licenses and certificates that they get and then we'll state that it's got to wait until the following budget year and then we'll budget it. All right, I'll put that in there and we'll get that out for next time.

c. Approval of 2011, Town Council Position of Secretary

Mayor Newlands: I'm just going to postpone that until we swear somebody in. **(Mayor Newlands brought this up later in the meeting. I'm just putting it into the correct order.)** Okay, we skipped over one item before and that was the approval for the position of Secretary on the Council. I recommend that Mary Hudson take that position. Can we get a motion, please?

Emory West: Mr. Mayor, I make a motion that we make Mary Hudson, Secretary of the Council.

Councilwoman Betts: I'll second that.

Mayor Newlands: We have a motion and a second. All in favor say aye. Opposed. Motion carried.

d. Approval Recommending Committee for Town Manager

Mayor Newlands: I gave everybody a little sheet. What I have been doing and I hope you noticed, is I've given you a little sheet of everything that's included in your package; an explanation as to what each of the items are and for the Town Manager Recommending Committee, I'm proposing myself, Councilman Lester, Jim Crellin, Richard Carmine, Kristin Patterson and Dennis Hughes. Can we get a motion to approve this six-member panel for this Committee.

Councilman Lester: I move to accept the panel.

Councilman West: Second.

Mayor Newlands: We have a motion and a second to accept the panel. All in favor say aye. Opposed.

Councilwoman Duby: Aye. Yes, I oppose.

Mayor Newlands: Oh, okay, you oppose.

Councilwoman Duby: For the reasons that I stated at last month's meeting.

Mayor Newlands: Okay. Well we added the one.

Councilwoman Duby: If you read the minutes you'll see I suggested a number of others.

Mayor Newlands: Motion is carried.

- e. Approval of a new member to the Parks Committee

Mayor Newlands: John Booros wanted to be added to the Parks Committee. Actually, he wanted to be added to the Parks Committee last year and I forgot to do it. I apologize, John. You haven't missed any meetings.

Councilwoman Duby: But there is one tomorrow night.

Mayor Newlands: He's aware of that one. Can we get a motion to put Sen. John Booros on the Park Committee?

Councilwoman Betts: I'll make a motion to approve Mr. Booros for the Park's Committee.

Councilwoman Duby and Councilman West: Second.

Mayor Newlands: We have a motion and seconds for appointing John Booros to the Parks Committee. All in favor say aye. Opposed. Motion is carried.

13. New Business – Discussion and possible vote on the following items:

- a. Approval of new Council Member for remainder of term ending April 2012

Mayor Newlands: Next is the replacement for Mr. Prettyman. As you all know, Mr. Prettyman resigned from the Council a few weeks back. We've publicized this about a week and a half ago and we have two candidates, Ronda Abraham and Mary Hudson; both of them are looking to come back on to the Council. This is to finish the term out which ends in April 2012, so it's a little bit less than one year. I would like to recommend that we bring back Mary Hudson. Can we get a motion, please?

Councilwoman Duby: So moved.

Councilman Lester: Second.

Mayor Newlands: We have a motion and a second to bring back Mary Hudson. Let's do a roll call:

Councilman Lester                      Yes

Councilwoman Duby                      Yes

Councilman West                      Yes and I would like to explain why. There are two good people applying for this job; but the consensus of the people is that they want Mary Hudson.

Councilwoman Betts                      I think there are two good people, also, but I have seen the work for the past several years of Ms. Abraham,

Mayor Newlands

and a lot of people just don't understand a lot of the work behind the scenes that Ms. Abraham did, so I would like to support Ms.

Abraham. But it's not reflection against Ms. Hudson.

I think they're both good candidates as well, and they both have history on Council and they've both done tremendous amount of work on Council and I'm going to say yes for Mary Hudson.

Mayor Newlands: Motion is passed.

b. Swearing in of new Council Member

Mary Hudson: I, Mary Hudson, do solemnly swear that I will support the Constitution of the United States of America, the laws of the State of Delaware and the Charter of the Town of Milton. I will faithfully discharge the duties of the Office of Council of the Town of Milton and I will always take action with the best interests of the Town of Milton guiding that decision, to the best of my ability, so help me God. Thank you, thank you everyone. Thank you Council.

c. 6 month budget vs. actual budget

Councilman Lester: While we are getting settled in, I would like to express a round of appreciation for Councilwoman Abraham. She really worked very, very hard for this town. [Applause.]

Mayor Newlands: I gave this out a little late, but it was being completed at 3:15 this afternoon. I'm going to go through just some highlights and if anybody on Council has any questions about specifics, I'll go through the specifics. I have the reports here in case somebody needs to see some details as to what is in these categories. I have the details here, some 41 pages, something like that. Just to let people go through this a little bit, one thing that we did a little bit late is that some of the salaries that we put in there; if you look at the first two items, there's a \$58,959; that's Admin salaries. Below that is a \$50,000 number; that's the salaries for March and it's salaries, taxes, pensions; there's a lot of numbers in there and that's for Admin, Police, Code, Streets; for a number of the departments it's just lumped together. I didn't get a chance to spread that out throughout the different categories that they belong in; but when I publish this on the web, they will be in the right categories. So that's not all Admin doubling up in March and getting double salaries. You'll see that Admin's salaries has been down substantially through the first six months; these are actual figures from up until the end of March. I'm just going through all those numbers down there, the first third of the page, they're pretty standard



numbers; they're from the payroll, so it's just reflected what's in payroll. Training and Seminars we had a little bit high and some expenses in there, because we had Edmunds coming in and doing some training; we had about \$1,000 bill from Edmunds to do some training and we've had Edmunds come in this past two weeks to do some more training so that number will go up a slight bit for the remaining part of the year. We do have two accounting clerks that are in Town Hall right now; they have a very good accounting backgrounds; they just need to be trained in Edmunds Software and I think some of the work they do, they're going to actually be bringing in some extra revenue that we've been missing over the years; which will be a good thing. So they'll make up for that \$1,000 that we're spending on training. Just going down, some CAFE Associates' fees are just a little bit higher than expected, right now. Legal fees are just exorbitant and that's reflective of some of the issues that we've had within Town Hall. Pretty much everything is on target. We should be at 50% at this point; some numbers that you see that are above or below 50% means either we saved money or we had some anomaly somewhere along the line that we spent some money on. If you go down past Insurance; the one that says \$400 and 94%; I have to look that one up.

Councilwoman Doby: Miscellaneous Operating.

Mayor Newlands: I have to be honest with you. It's in here, I'll get the report out in a minute. I'll come back to that one. Our telephone bills are down. We renegotiated contracts with Verizon. They offer a State plan or a Federal plan, depending on whether the people are going remain within the State or not; they've already pre-negotiated with Delaware and the Federal Government fees, so we have a standard. If you take those plans, it's locked in and you can't negotiate them any better than what they've already done with the State. Since most of our guys rarely leave the State, we took the State plan which kept our fees down; it got everybody new phones; the phones they chose didn't work all that well; they had some issues with them, but the contract also allows us to replace phones every 10 months, so a bunch of the guys went and got new phones free of charge; and the initial phones we got were all free of charge, as well. Edmunds Software, you see there, was 93%, because that's an annual fee. Some of these are annual fees, so they're already done for the year. If you go up just a little bit, where you see equipment, 5470 is the line item there, is at 29%; we negotiated our Xerox contract. We had literally the Rolls Royce Xerox machine in there before; we've gone to somewhat of a Cadillac, but not a Rolls Royce. The old machine literally used to do book binding; and we don't need book binding. If we do, we'll go to Staples. But the old machine did everything under the Sun. We stayed with Xerox and the reason we did, is because they allowed us to get out of our five year contract, at no cost; which was nice. They allow us to have 7,000 copies each month of printing to be done, which we do a lot of printing. They also, if we do a little bit of color, like you see in your last water bill, there was some color on the water bill; that they allow us to do for free; so

they had a lot of good things that they let us do. Also, printing and postage is down tremendously, because we now print our forms in house; we don't go out to a printer to print forms; since we have 7,000 pages we can print a month; we designed templates for our water bills and our property taxes and we do our printing in house, without going to an outside vendor. So we've saved substantial amounts of money with that. Payroll expenses are payroll expenses; it's a fixed cost for ADP. We're actually switching vendors, we're going to Paychecks very shortly; not for cost reasons, it's really an easier system to deal with. Going down into Streets, we had an enormous amount of snow removal issues; maintenance and equipment there. On the bottom of our plows, there is a rubber gasket that stops us from tearing up the streets, so those gaskets don't last all that long; so we didn't order them at the end of last year, so we had to get new ones for early on this year; we wore out a few of them, so that's why those unexpected costs, plus the amount of snow we had. Does anybody on Council have any questions?

Emory West: Mr. Mayor, if anybody has any questions on any snow equipment, come talk to me because I deal with snow equipment through DelDOT and I know what they're going through and I can explain it to you.

Mayor Newlands: Thank you. The next item at the top of the page, there's a Bobcat we bought. Council approved that last summer. We're working out a deal which has been okayed by the auditors that we actually borrow the money from the Water Department for 2/3's of it and over a three year period we're going to pay that money back to the Water Department.

That's pretty common throughout municipalities; you can borrow money from your other departments and pay it back. It's just sitting there. We had to pay the check out and it belongs to Streets, so it's an outstanding item. In the background, it will get fixed up later on with the loan.

Salaries for Police are standard. Two officers left us in November, so their salaries are a little bit lower. The overtime hours, I think we have an issue between... You see the \$27,500 for overtime, about the sixth or seventh line item down; the overtime spent is only \$7,500. My suspicion is and I haven't figured out the numbers yet, that that is actually just in the wrong category; but that should be switched with the number above it, \$32,000. There's some little mix-up in there, we have to get cleaned up, before this goes on the website, I'll get that cleaned up. Accounting gave us \$20,000 for our police officers, for bonuses, that's what they call the Salary Enhancement. That came from Sussex County, so that money was not Town money we spent, it was County money given to us. The next few numbers down are standard that we just pay out for insurances and pension. The number you see there on pension, that \$19,000; a lot of that comes back to us from the State; so we get a rebate back from that from the State. Training and Seminars is up quite a bit. We had a bill for ammunition for around \$3,000. We have three guys in the Academy right now and they have to use special ammunition because there's no lead

protection ventilation in this new range that the Police Academy built; it wasn't built to handle lead bullets; so we have to use special bullets for the Academy, so it gets a little bit expensive while they're in the Academy. There is an item on there also for Legal Fees – they're down a little bit. Supplies are down. Night Out supplies, that's a wash; they get donations for that. Advertising was for a new officers. There's a new line item there for \$3,300 that's for meals. The Academy will train our guys for free; except they won't feed them for free. Why, I don't know. Last year we found out the first time, we got a bill for \$1,100 for an officer, because we have to pay for their food. So we have three officers in the Academy now; we'll pay for two of them out of our budget; the third one is getting paid for out of a grant; because we have a grant to pay the third person's salary. We have \$170,000 grant that we have received to pay for an additional officer for the next three years, so that will be covered under that. Dues and Subscriptions, they're pretty normal. The Blood Draws are for DUI's, so they're a little bit high; but that's something that we have no choice about. Equipment and Maintenance, they're a little bit high, but we had some extra work we had to do. We had to replace a heating system; when the heating and air conditioning systems were replaced last year, we wound up undersized with our power, so when we were doing air-conditioning it was fine; when we were doing heating, all of a sudden, the circuit breakers kept blowing. So we had to replace the panel and that was not known at the time, so that cost around \$3,000 to replace the electrical panel in the Police Station; but now their wired for 210. Prisoner feeding, we have to feed the prisoners that come in. Prisoners some times will come in and clean up the Police Department; they'll do clean-up. If we get prisoners and we hold them for a certain amount of time, we have to feed them. Back to the phones. If you look at the phone, about the fourth line down, two years ago it was \$17,000 for their phone bill. We projected \$8,800; and we're at \$4,900 right now in the midway points; so we've substantially brought that down. That was a combination of switching the Verizon plan for the police officers and also they now have the Comcast phone system, instead of Verizon. So we've changed that a lot and they've saved a lot of money there. If you go down to the middle of the page, we still for some reason keep the Wagamon's light bill underneath that one category; that's got to get moved down to Municipal Street Aid. The line in yellow, that's the money we had to pay out this year for Tidewater; it was not escrowed properly; so it was monies that were brought in last year and spent in last year's budget and we just finally had to pay a check in November to Tidewater. Parks, you'll see that the Parks is a little bit lower than 50%. That will start increasing. The same guys that do our water and streets, work in the parks, as well. They proportion their time out so what will happen now is the grass clipping season is coming. They're doing mulching; they're doing a lot of work around town; so you'll start to see that number will start creeping up during this time of the year. So that's the way they work. They also get prisoners come in, so occasionally

you're going to see prisoners in town; they are being monitored; there are Prison Guards here. We do get two guys, also, that are on work release. They come in three days a week so we get them for a good number of months. So we have extra help and we only have to buy them lunch. So for \$7 a day, we get a laborer for 8 hours. It's a good deal. Does anybody have any questions on those pages? The 91% of overtime happened to be the Code Enforcer helped us out. He spent 36 hours doing our snow removal, so we paid him overtime for that. The rest of that is standard salaries, until the middle of the page; then legal fees; consulting fees; URS fees, those all get paid back to us, for the most part, by the builders. So those are mostly a pass through. So when you see, in the middle of the page, Engineering Fees there, those are mostly pass throughs. We charge a builder; we get charged from the engineers and then we charge the developer back. So for argument sake, Mr. Ingram came in for the hotel that's going up; we got charged engineering fees and in return, we'll bill him for those engineering fees. The same with legal fees. Meetings there was no cost, so far. Supplies, nothing so far. Advertising. We should have had advertising for the Code Enforcer; so there should be something there. Printing and Postage, printing and postage are notices to the public about any kind of violations they have. Rental Licenses are done through the Code Department. The Water Department - trash disposal is a pass through. We do put a few dollars on that; I think about \$10,000 a year just for our Administration Fees. The Water Department is pretty standard with all of their payroll; they're on target with all that. Engineering Fees are a little bit high. We've been paying a little bit of money, because the engineers are in looking at the water tower that we're looking to put in, so they're giving us some advice on that. They filled out the application, which was an inch and a half thick that had to be submitted to the State; so it cost a little bit to have that done. We are replacing a lot of our meters. We've had quite a number of meters in some of the apartment buildings that were broken and we were not getting any revenue for that and the Council approved, a few months ago, that we spend some money to put new meters in. The meters will start generating revenue, I think, after five quarters. So whatever you see there for meters, after about five quarters, we start getting a profit back on those meters. Chlorine costs, those are low right now; but when the hot season comes around, those chlorine expenses go up. Water Tower Maintenance, that's a one-shot deal; we only pay that once a year. Does anybody have any questions on this? Allen, the hydrants and pumps? The pumps and hydrants?

Allen Atkins: It's high.

Mayor Newlands: Where we had that one...

Allen Atkins: They've got pumps on there for some reason; it should just be hydrants.

Mayor Newlands: Just hydrants, okay. And we had to replace that one hydrant?

Allen Atkins: Yes.

Mayor Newlands: Hydrants are not cheap. There's nothing really outstanding on there. The SRF loan is the State Revolving Fund loan expense that we pay back. That's a loan from around 2001 that was taken out.

Stephanie Coulbourne: It's paid in December and July.

Mayor Newlands: It's paid semi-annually, December and July. You see the radio read meters; those are the meters that we're going to be purchasing for the apartment buildings. They're just getting those purchased now. We've also, just to let you know, we've separated out proprietary and non-proprietary funds. Proprietary funds are funds where you manufacture something or make something to sell to the public, which would be water or sewer; so those get separated out, so they're calculated separately and you cannot co-mingle those funds in your budgets. We projected about \$700,000 in property tax; I think the bill was about \$630,000 or \$650,000; somewhere in that neighborhood. So far we've collected \$558,000. We do have some people that I'm just learning who haven't paid their property taxes in a few years, so you may see one or two foreclosures going through, in a few months. We have to talk to our attorney about that. So there are some people who haven't; they just feel that they shouldn't pay their property tax. So we will be handling all of that and picking up all that revenue. We have people in now who will be actively going after these people. Lien Certificate Revenue, is when somebody calls up for a closing; that we just do all of the checks for them; we go out and get the meter readings and things like that.

Unidentified Speaker: What about the cars? How many did you buy?

Mayor Newlands: The police cars? I didn't buy any cars this year.

Unidentified Speaker: What?

Mayor Newlands: We didn't buy any cars this year. Actually we replaced a car this year, because...

Unidentified Speaker: It looks like a used car lot back there; with all the police cars.

Mayor Newlands: Now we had the gray one...

Unidentified Speaker: How many police cars do you have?

Mayor Newlands: Probably eleven.

Unidentified Speaker: Eleven? For a town this size?

Mayor Newlands: For ten officers; we have eleven officers. Yes. We have eleven officers.

Unidentified Speaker: Eleven. I don't believe it. And you sold none?

Mayor Newlands: Actually, we did sell one. He sold one on E-Bay. I have to check that one.

Unidentified Speaker: What a waste. What a waste.

Mayor Newlands: Go to Georgetown, there's 18 officers and 18 cars. And it's 50/50 with...

Unidentified Speaker: You've probably got more cars here than they do in Dover.

Mayor Newlands: I don't think so. Franchise Fees...

Councilwoman Betts: Interest Income. There's no Interest Income?

Mayor Newlands: Yes there is.

Councilwoman Betts: Page 4 of 5.

Mayor Newlands: Which line item?

Councilwoman Betts: 4905.

Mayor Newlands: Stephanie, the Interest Income.

Councilwoman Betts: There's no Interest Income.

Mayor Newlands: Is that CD's?

Stephanie Coulbourne: Part of it is CD's.

Mayor Newlands: We just didn't post this?

Stephanie Coulbourne: I don't know, I'd have to check it out.

Mayor Newlands: I'll have to take a look at that. We just may not have posted it. If it's CD's then it's only at the time that we cash them.

Councilwoman Betts: But don't we have any Interest Income on anything else? Only CD's?

Mayor Newlands: We don't have any other money.

Councilwoman Betts: Yeah, well it's what I'm asking.

Mayor Newlands: We don't have any other money.

Councilwoman Betts: So that's the only income we would have is from the CD's?

Mayor Newlands: We have CD's.

Stephanie Coulbourne: The bank's Interest Income, would be put in by department.

Councilwoman Betts: It goes by department.

Stephanie Coulbourne: This is just Admin that you're looking at now.

Mayor Newlands: I've got to find out why we put \$33,000 there. That's a big issue. We'll take a look at that.

Councilwoman Betts: It says \$33,000.

Mayor Newlands: You know what I'll do, I'll take a look at that and when I publish this final one, I'll put down my notes and explanations in the front letter, when I publish this on the web.

Councilwoman Betts: Thank you.

Mayor Newlands: Tax penalties – so we do have just slightly above what we anticipated in tax penalties. Franchise Fees, that's Comcast, we get paid that amount from Comcast every year. We just started getting paid from Chesapeake Gas; I think; Stephanie it was \$1,400? Around \$1,400 and we get paid by the number of homes that Chesapeake services; right now they are servicing Dog Fish Head Brewery, they're servicing Milton Elementary School, and they're now soliciting to service some of the homes in that area.

Stephanie Coulbourne: It's Mariner Middle School.

Mayor Newlands: I'm sorry. They went to the middle school?

Stephanie Coulbourne: [unintelligible]

Mayor Newlands: I thought they did. Okay. There's a number of grants there that we didn't anticipate, that we got for the Police Department. There was a \$26,000, which was a combination of two different grants; the

CJC is \$20,000, that's being used for cameras in the police cars so we can track any time an officer stops somebody. It's both for their safety and also helps us in Court if we have to testify to something that somebody did. The Pension receipts there, that's the 9696; that's money we get back from the State. Fines are \$12,000 and that's only half the year. Transfer Tax, that's how much transfer tax we've gotten so far this year. We did pretty well \$74,000; we anticipated \$115,000 and that's eligible to be spent for safety, which is eligible to be spent for the police. The revenue on the bottom, the \$10,000, that was from the train, the steam engine train that we sold in October. Business Rental Licenses - \$53,000 – we haven't gotten all of that in yet, so we have more to come on that and as businesses start up and rentals start up, we get licensing fees from that, as well; so that comes throughout the year. As people call and ask us questions and make the mistake of saying “my tenant”; we go oh, you rental license and hit them for \$75. So that's happened a few times in the last couple of weeks. Permits, as you can see, the building market is still bad, so we're down a lot on our permits. The same with our inspections and things like that. Those other items in the middle there, the legal, consulting and engineering fees, that has to actually get collapsed up. I'll get that all fixed up. Trash collection, as we said before, that's a pass through. The water rents, which I marked as sewer, didn't I? I changed the wrong one. The one that says sewer there, should be water. That's just two billing cycles going out so far, so we're about midway on that. We do get people who like to push the envelope and wait until we shut their water off before they pay us, so we get a few fines from that. Sale of Meters, these are the meters going to the builders for new homes. Impact Fees are the same thing. When we get permits for new homes, we have an Impact Fee for water, and there are some inspection fees, and then just some interest. There's the Interest and Penalty, that's just for water.

Councilwoman Betts: But there's no interest, it's zero. Interest Income.

Mayor Newlands: Well \$23,900. We projected nothing. There was nothing in there projected.

Councilwoman Betts: It's down. There's no Interest Income up there.

Mayor Newlands: Okay, grand total right now we're running just a deficit of \$26,000. Don't forget, we have that \$123,000 in there from Tidewater, that we paid and we bought that Bobcat, so those numbers are still reflected in these totals here on the bottom. I haven't sat and projected out for the rest of the year how much we should be getting in income-wise; so that's something that Mr. Lester and I need to go over in the near term, now that his tax season is over with. Questions, comments?

Councilman Lester: Well that \$123,000 is going to go away when the books are corrected; so that's going to disappear; and the question Vice Mayor Betts had about the Interest Income; in September, 2010 we booked a very sizable amount of interest. But the CD's were earning 4% and we had to cash one for a little over \$500,000; in part to pay Tidewater and to pay other bills and the remaining roll over CD, I think is at 1% now,

so Interest Income is going to be nominal, unfortunately.

Mayor Newlands: Yes.

Councilman Lester: It's going down with our transfer taxes, etc.

Mayor Newlands: Does anybody else have any questions? Like I said before, we're going to look at some new sources of revenue. What I'm doing is I'm looking at all the other towns to see what they do for sources of revenue; so I'm trying to compile a list of the different things that the other towns are doing so we can start doing them ourselves and pick up new sources of revenue; to try to limit the amount of taxes we're going to have to increase.

Councilwoman Duby: Where are we on hiring a Code Enforcer? Are we at a point...

Mayor Newlands: We're interviewing this week, so we should probably have an answer this week.

Councilwoman Duby: Once we have someone doing that full-time, we ought to be bringing in some money too.

Mayor Newlands: Yes.

- d. Milton Park Center LLC's request for a second one-year extension on the final site plan approval issued by Planning & Zoning for the Milton Park Center expansion of parcels A&B

Mayor Newlands: Milton Park Center is the Food Lion Shopping Center. There are supposed to be a few buildings that go on in the grass area in the front and we gave the Milton Park Center an extension last May; they've asked for another extension on their plans. They've finished all of the final site plans and they're having issues with tenants; they're waiting to get a tenant before they build, so they would like another extension. We haven't had any zoning changes that would require them to file anything new and it would be very expensive for them to file anything new, especially since there have been no changes to our zoning ordinances; so they're just asking for another one year extension on their final site plan. Can we get a motion to extend this for one more year; we're trying to actually find a tenant for them; we're helping them, not that we're realtors; but we're letting the word go out that they will build, if somebody will rent from them.

Emory West: I'll make a motion that we grant them a one year extension.

Councilman Lester: Second.

Mayor Newlands: We have a motion and a second to grant Milton Park Center a one-year extension on their final site plan. All in favor say aye. Opposed. Motion carried.

- e. Ordinance amending the Town Code to establish a new Chapter 95, entitled "Clean Hands Policy", conditioning the issuance of any Town approvals, licenses, and permits upon the applicant and property owner being in financial good standing with the Town

Mayor Newlands: This is where a builder would come to us and want to



get approvals for permits or licenses, but if they are not up-to-date on all of their taxes and other things within town, we can hold up and suspend giving them their permits or other licenses. So this is just one way for us to make sure that builders and others who come in for licenses are up to date on all of their bills. Seth has Section 95 going into the General Code. Seth Thompson: That's right. You can see in 95-2 what obligations need to be met before any approvals or permits would be issued again; i.e. property taxes, cap taxes, application fees, professional fees, sub-division fees, licenses, permits, administrative fees, bonds, site plan reviews, interest penalties, court costs, attorneys fees and reimbursements for costs paid by the town. A lot of times, those would be your professional fees. The Ordinance lays out the procedure, as well, which I think is helpful and there would be an appeals process to the Town Manager, in the event that the applicant felt that there was some mistake, in terms of their denial of an approval or a permit.

Councilwoman Duby: I move approval of Ordinance No. 2011-003 to add a new Chapter 95, the "Clean Hands Policy."

Councilman Lester: I second that.

Mayor Newlands: We have a motion and a second to approve Ordinance No. 2011-003 the "Clean Hands Policy." Any discussion? All those in favor say aye. Opposed. Motion is carried.

14. Executive Session: Discuss Personnel Issues, Litigation and Land Acquisition

Mayor Newlands: Can we get a motion to go into Executive Session?

Councilwoman Duby: So moved.

Councilman Lester: Second.

Mayor Newlands: We have a motion and a second to go into Executive Session. All those in favor say aye. Opposed. Motion carried.

Mayor Newlands: Can we have a motion to come out of Executive Session?

Councilman West: I make a motion to come out of Executive Session at 8:24 p.m.

Councilwoman Duby: Second.

Mayor Newlands: We have a motion and a second to come out of Executive Session. All in favor say aye. Opposed. Motion carried.

16. Adjournment

Councilwoman Duby: I make a motion to adjourn at 8:24 p.m.

Councilwoman Betts: Second.

Mayor Newlands: We have a motion and a second to adjourn. All in favor say aye. Opposed. Motion carried. Thank you all.